

News Release

Office of the Attorney General



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FOR IMMEDIATE RELEASE

CD settlement checks in the mail

(Phoenix, Ariz. – Feb. 19, 2004) Attorney General Terry Goddard announced today the distribution of the cash settlement to Arizona consumers from a multi-state settlement of a CD price-fixing complaint against music distributors.

The settlement stems from a lawsuit that alleged the defendants conspired to illegally raise the prices of certain prerecorded music products by implementing Minimum Advertised Price (MAP) policies, in violation of state and federal laws. The named defendants are five music distributors and three music retailers. In agreeing to settle the lawsuit, the defendants have denied all allegations of wrongdoing.

The defendants have agreed to pay a combination of cash and non-cash consideration. US consumers who filed claims in this lawsuit will receive a total of \$67,375,000. In addition, the defendants will provide approximately \$75 million worth of prerecorded music compact discs that will be distributed to organizations requested by state agencies.

In Arizona, 117,496 consumers filed claims prior to the March 2003 deadline, and can expect to receive a check of approximately \$13.86 each. The checks are being sent by the Settlement Administrator starting today. Arizona consumers should start receiving checks in the next few weeks.

At the request of the Arizona Attorney General's Office, the Settlement Administrator also will distribute 98,476 music compact discs valued at \$1.3 million to public libraries, the Arizona National Guard and state university libraries throughout Arizona within the next three months. Each library was allocated a portion of the total CDs based on population.

The settlement was approved on June 13, 2003, by Judge D. Brock Hornby of the District Court of Maine, but the distribution remained on hold until all appeals were addressed and resolved.

Members of the settlement group included consumers who purchased prerecorded compact discs, cassettes and vinyl albums from retailers from January 1, 1995 through December 22, 2002. The settlement group is comprised of approximately 3.5 million people nationwide.

For updates and complete settlement information, please visit:
www.musiccdsettlement.com

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